

From: Jiri Seidl <jiri_seidl@yahoo.com>
Sent: Monday, January 18, 2010 5:42 AM
To: secretary <secretary@CFTC.gov>
Subject: Forex Leverage

Dear Mr. Secretary,

I have read of the CFTC's proposal to regulate the Forex margin requirement from the current 1:100 to 1:10. It is hard to understand, what the intentions behind this proposal may be, other than the dismantling of the Forex trading industry. As a Forex trader, I can assure you, that most, if not all, Forex traders will stop trading Forex, if this proposal is implemented. That would result in the loss of liquidity in Forex markets.

Daily currency moves are mostly very small; for example - the EURUSD daily range right now is at 126 pips, which is only 1.26 cents/day and the 1:10 leverage would render the pair untradable for most traders. Therefore, the current leverage of 1:100 is not overly generous; it may only appear that way at the first glance.

Thank you for reconsidering this unfortunate proposal.

Best Regards,
Jiri Seidl